

Message Text

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ACTION STR-07

INFO OCT-01 STRE-00 ISO-00 AGR-01 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01
DOE-15 XMB-04 OPIC-06 JUSE-00 AF-10 ARA-14 EA-12
EUR-12 NEA-10 OIC-02 /181 W
-----010312 141306Z /43

R 131233Z JUL 78

FM USMISSION GENEVA
TO SECSTATE WASHDC 1997
INFO ALL EC CAPITALS
AMEMBASSY ALGIERS
AMEMBASSY BERN
AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CAIRO
AMEMBASSY CANBERRA
AMEMBASSY HELSINKI
AMEMBASSY ISLAMABAD
AMEMBASSY LISBON
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMEMBASSY NEW DELHI
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY PRETORIA
AMEMBASSY STOCKHOLM
AMEMBASSY TOKYO

UNCLAS SECTION 01 OF 02 GENEVA 10720

PASS ELECTRONICALLY AG FOR FAS/NOVOTNY

E.O. 11652: N/A

TAGS: EAGR ETRD OCON

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SUBJECT: GRAIN NEGOTIATIONS - INTERIM COMMITTEE, GENEVA
JULY 7-12

1. TWELVE MEMBER INTERIM COMMITTEE MADE LITTLE PROGRESS
ON WORKING PAPERS BROUGHT FORWARD FROM JUNE 5-22 LONDON
SESSION AND THEREFORE CONCLUDED THAT FURTHER DRAFTING
WORK WAS NEEDED BEFORE RECONVENING FULL NEGOTIATING

CONFERENCE. THIRD INTERIM COMMITTEE IS NOW SCHEDULED TO MEET OCTOBER 16-20 IN LONDON. UNLESS OCTOBER COMMITTEE DECIDES OTHERWISE, FULL NEGOTIATING CONFERENCE WILL RECONVENE IN NOVEMBER IN GENEVA (PROVISIONAL DATES 13 NOVEMBER-1 DECEMBER).

2. DRAFTING WORK DURING PAST FIVE DAYS WAS SPLIT INTO TWO GROUPS, ONE ON WHEAT ISSUES AND THE OTHER ADDRESSING DEVELOPING COUNTRY ISSUES. WHEAT GROUP FOCUSED ON TEXTS DEALING WITH SUPPLY ASSURANCE, MEASURES AT THE THIRD FALLING PRICE POINT INCLUDING EXPORT SUBSIDIES, AND MEASURES AT THE THIRD RISING PRICE POINT INCLUDING REFRAINING FROM EXPORT CONTROLS. TEXTS WHICH HAD BEEN DEVELOPED BY SMALLER GROUP IN LONDON WERE REWORKED. THEY REMAIN ESSENTIALLY UNCHANGED IN SUBSTANCE AND TEXT BUT ARE NOW HEAVILY BRACKETED, E.G. PREVIOUSLY AGREED LANGUAGE ON "IMPLEMENTATION OF MEASURES TO DISCOURAGE PRODUCTION" AT THE THIRD FALLING PRICE POINT WAS BRACKETED BY EC FOR SEEMINGLY TACTICAL REASONS. CONSENSUS AMONG PARTICIPANTS IS THAT NET CONTRIBUTION OF DRAFTING EXERCISE WAS MARGINAL.

3. AUSTRALIAN DELEGATION (NOW HEADED BY MAX MOORE-WILTON, FIRST ASSISTANT SECRETARY, DEPARTMENT OF TRADE AND RESOURCES, CANBERRA) TABLED REVISED "RELIEF OF OBLIGATIONS" ARTICLE WITH RESPECT TO RESERVE STOCK COMMITMENT. IT WILL BE DISCUSSED IN DEPTH AT NEXT MEETING.
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US TABLED GENERAL EXPORT SUBSIDIES ARTICLE WHICH WAS NOT DISCUSSED. IT WILL GO FORWARD TO NEXT MEETING FOR DISCUSSION.

4. SUBSTANTIAL EFFORT MADE TO DRAFT GENERAL ARTICLE ON SUPPLY ASSURANCES AND COMMITMENTS ON ACCESS TO SUPPLIES AT THIRD RISING PRICE POINT. MAJOR DIFFERENCES REMAIN AS TO THE QUESTION OF PRIORITY TO MEMBERS OVER NON-MEMBERS AND OVER AN "ESCAPE CLAUSE" FROM THE PROHIBITION ON EXPORT RESTRICTIONS. SOME PROGRESS HAS BEEN MADE ON SUPPLY ASSURANCE ISSUE BETWEEN US AND JAPAN, BUT LITTLE PROGRESS IN THE FULL INTERIM COMMITTEE OTHER THAN CLARIFICATION OF ISSUES.

5. THE DEVELOPING COUNTRY DRAFTING GROUP REVIEWED SIX DRAFT TEXT ITEMS PREPARED BY CHAIRMAN AHMED (BANGLADESH). THE TEXTS WERE BASED ON AHMED'S STATEMENT AND RELATED COMMENTS AT THE LONDON INTERIM MEETING. THE ITEMS WERE DISCUSSED AS A SERIES OF "PRINCIPLES" TO BE ADOPTED IN THE AGREEMENT.

6. THE US DELEGATE DID NOT SUPPORT SPECIAL STOCK

FINANCING FUND, AND LDC STOCK ACTION AT OTHER THAN AGREED
INDICATOR POINTS. WE RESERVED COMMENT ON THE SPECIFIC
LANGUAGE ON EXEMPTIONS FROM RESERVE ACCUMULATION,
SUPPORTED THE PRINCIPLE OF USING FOOD AID FOR RESERVE
STOCK BUILDING, BUT DID NOT SUPPORT ADDITIONAL FOOD AID
COMMITMENTS OVER AND ABOVE THE FAC. ONLY THE SWISS AND
FINN'S AMONG THE DEVELOPED COUNTRIES INDICATED A
WILLINGNESS TO SUPPORT AND/OR CONTRIBUTE TO THE STOCK
FINANCING FUND. THE US POSITIONS ON THESE ISSUES WERE
SUPPORTED BY CANADA, AUSTRALIA, AND JAPAN. THE EC ALSO
OPPOSED THE STOCK FINANCING FUND AND ADDITIONAL FAC
COMMITMENTS FOR RESERVE BUILDING. AT FINAL COMMITTEE
SESSION LDC'S MADE STRENUOUS EFFORT TO POSTPONE DECISION

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FM USMISSION GENEVA
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INFO ALL EC CAPITALS
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UNCLAS SECTION 2 OF 2 GENEVA 10720

PASS ELECTRONICALLY AG FOR FAS/NOVOTNY

TO RECONVENE CONFERENCE BECAUSE OF LACK OF DEVELOPED
COUNTRY SUPPORT FOR SPECIAL LDC PROVISIONS. THEY ATTACH-
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ED STRONG STATEMENT TO COMMITTEE REPORT EXPRESSING THEIR
CONCERN AND REPEATING DEMAND FOR SPECIAL PROVISIONS.

7. FOLLOWING RESOLUTION WAS ISSUED AT CONCLUSION OF
MEETING: QUOTE IN ACCORDANCE WITH PARAGRAPH 2 OF
RESOLUTION TD/WHEAT.6/L.3 OF THE UNITED NATIONS
CONFERENCE TO NEGOTIATE AN INTERNATIONAL ARRANGEMENT
TO REPLACE THE INTERNATIONAL WHEAT AGREEMENT, 1971, AS
EXTENDED, THE INTERIM COMMITTEE DECIDES
(1) TO MEET AGAIN IN OCTOBER 1978 TO COMPLETE THE TASK
ASSIGNED TO IT BY THE CONFERENCE, INCLUDING CONSIDERATION
OF THE PROBLEMS OF DEVELOPING COUNTRIES.
(2) TO RECOMMEND THAT THE SECRETARY-GENERAL OF UNCTAD
RECONVENE THE CONFERENCE IN NOVEMBER 1978, UNLESS THE
COMMITTEE AT ITS OCTOBER MEETING AGREES OTHERWISE. END
QUOTE. VANDEN HEUVEL

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
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